

SENATE BILL 3742
By Ford, O.

AN ACT to amend Tennessee Code Annotated, Section
26-2-301, relative to homestead exemptions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 26-2-301(a), is amended by deleting the subsection in its entirety and by substituting instead the following language:

(a)

(1) An individual, whether a head of family or not, who has earned more than the median state income for six (6) consecutive months preceding filing for bankruptcy and the trustee of the court after calculating the person's income over sixty (60) months minus the person's expenses over the same sixty-month period determines the balance to be more than six thousand dollars (\$6,000), shall be entitled to a homestead exemption upon real property which is owned by the individual and used by the individual or the individual's spouse or dependent, as a principal place of residence. The aggregate value of such homestead exemption shall not exceed five thousand dollars (\$5,000); provided, individuals who jointly own and use real property as their principal place of residence shall be entitled to homestead exemptions, the aggregate value of such exemptions combined shall not exceed seven thousand five hundred dollars (\$7,500), which shall be divided equally among them in the event the homestead exemptions are claimed in the same proceeding; provided, if only one (1) of the joint owners of real property used as their principal place of residence is involved in the proceeding wherein homestead exemption is claimed, then the individual's homestead exemption shall be five thousand dollars (\$5,000).

(2) An individual, whether a head of family or not, who has earned more than the median state income for six (6) consecutive months preceding filing for bankruptcy and the trustee of the court after calculating the person's income over sixty (60) months minus the person's expenses over the same sixty-month period determines the balance to be less than six thousand dollars (\$6,000), shall be entitled to a homestead exemption upon real property which is owned by the individual and used by the individual or the individual's spouse or dependent, as a principal place of residence. The aggregate value of such homestead exemption shall not exceed ten thousand dollars (\$10,000); provided, individuals who jointly own and use real property as their principal place of residence shall be entitled to homestead exemptions, the aggregate value of which exemptions combined shall not exceed fifteen thousand dollars (\$15,000), which shall be divided equally among them in the event the homestead exemptions are claimed in the same proceeding; provided, if only one (1) of the joint owners of real property used as their principal place of residence is involved in the proceeding wherein homestead exemption is claimed, then the individual's homestead exemption shall be ten thousand dollars (\$10,000).

(3) An individual, whether a head of family or not, who has earned less than the median state income for six (6) consecutive months preceding filing for bankruptcy shall be entitled to a homestead exemption upon real property which is owned by the individual and used by the individual or the individual's spouse or dependent, as a principal place of residence. The aggregate value of such homestead exemption shall not exceed ten thousand dollars (\$10,000); provided, individuals who jointly own and use real property as their principal place of residence shall be entitled to homestead exemptions, the aggregate value of which exemptions combined shall not exceed fifteen thousand dollars (\$15,000), which shall be divided equally among them in the event the

homestead exemptions are claimed in the same proceeding; provided, if only one (1) of the joint owners of real property used as their principal place of residence is involved in the proceeding wherein homestead exemption is claimed, then the individual's homestead exemption shall be ten thousand dollars (\$10,000).

(4) Except as provided in subsections (c) and (d), the homestead exemption authorized pursuant to subdivision (1), (2) or (3) shall not be subject to execution, attachment, or sale under legal proceedings during the life of the individual. Upon the death of an individual who is head of a family, any such exemption shall inure to the benefit of the surviving spouse and their minor children for as long as the spouse or the minor children use such property as a principal place of residence.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.